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ABSTRACT

The first section of this instructional guide explains why open learning needs marketing and what steps go into preparing a marketing campaign, including marketing the college and tutor time, service definition, service delivery, and communications. Changes in education that have affected open learning in recent years are addressed in the second section, including targeting the campaign. The following section focuses on identifying competitors and preparing a strategy to compete with them, using the technique of SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. Specific benefits of using direct mail as a method of promotion are considered in the fourth section, including low cost and targeting specific groups; and sample calculations of cost effectiveness are presented. The next section describes the impact of computers on marketing work and identifies necessary software; and the organization of a direct mail campaign is examined in the sixth section, with emphasis on targeting. The concluding section addresses several topics, including target groups for open learning, preparing a direct mail database, preparing literature, writing copy, production costs, follow up, timing, and sources of funding. A checklist of questions to provide the basis for an open learning marketing campaign is included. Statistics from a 1987 survey of open learning in Bedfordshire County (England) are used as examples throughout; and answers to the exercises given in the guide are provided at the end. (ALF)

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Marketing Open and Flexible Learning

...The Direct Mail approach

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By Ian Hunter and Dr David Beeson

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FOREWORD BY PAUL CLEMENTS

"It pays to advertise" is such a commonplace saying that one runs the risk of seeming boorish to contradict it. And yet advertising oilskins to bedouin doesn't pay.

Unfortunately, whatever the product or service that is advertised, many, if not most, of the message's recipients are, metaphorically, bedouin.

Little old ladies are bedouin if you are selling windsurf holidays or superbikes; Hell's Angels are bedouin if you are selling Lavender Water and anyone living ten or more miles away is a bedouin if you run a village shop—all of which serve to illustrate the charm of Direct Mail: *you don't have to spend your advertising budget selling mainly to bedouin.*

Let me cite my own business—teaching foreign languages to busy people—as an example. On the face of it, Yuppies are the market. So the space salesman say, "take 20cm double columns in **The Independent, Management Today and Scientific American**".

Alas, most of their readers are bedouin. Most systems analysts, lawyers, chartered engineers and physicists are bedouin—besides, lots of the others are outside my area.

Direct Mail, then, to the firms on the New Town trading estates?

No. For me, most Carton Manufacturers, Contract Caterers and Steel Stockholders are inseparable from their camels—and so are Plant Hirers and Liquor Bottlers and High Speed Drain and Sewer Cleaners.

Who then?

Companies with foreign connections. British firms, in my area, with subsidiaries in Europe, plus the subsidiaries of, say, French, German and Swiss multinationals. These are the organisations to mail. They need languages for communication. Very few of these are bedouin.

And that's what Direct Mail is about: targeting. To make sure you're talking to the people you need to reach.

So you only advertise to bedouin when you're selling camels...

Paul Clements
Managing Director, HLL Ltd

Aims

At the end of this section you should understand:

- why Open Learning needs marketing
- what steps go into preparing a marketing campaign.

Lesley[1] is a college lecturer. He started his career at a time when the demand for college places far exceeded the capacity of the colleges. For a long and happy time the number of students in his department went up each year, and though he often complained about the lack of investment in his college, staff numbers did go up, and there was a general feeling of expansion and hope.

Lesley was experiencing a **sellers' market.**

That period now looks like a distant golden age. The number of 16-19 year olds has dropped drastically, and there is no longer a queue of students to take his courses.

Lesley is now in a **buyers' market.**

[1] Lesley is male in this book. No significance is intended or should be read into this. Lesley could equally well be female.

What does it mean for the college to be in a Buyer's market?

Student numbers are falling, courses are under subscribed and many lecturers' timetables are light. The College's costs have not fallen, but as student numbers shrink, so its income will go down.

In other words the College will be running **at a loss** - not a situation that will be tolerated for long.

But Lesley knows there is plenty of demand for skills in industry and the local community. He knows therefore there must be a good market to generate new and profitable income for his College.

Lesley has no fear of the concept of a profit in the public sector. It simply means **generating revenue that is greater than cost**, and therefore funds which can be ploughed into keeping the College going and providing the kind of services it would like.

So Lesley is turning to **marketing** techniques to achieve one simple objective: *to find new sources of profitable income for his College.*

Lesley is not only marketing the college, but the time and jobs of himself and his colleagues. He must sell **tutor time.**

A lecturer earning a salary but not doing paid work is a **cost without revenue**. The most effective way of generating profitable revenue will therefore be to find customers prepared to pay for the teaching time of the College staff. Lesley knows that there must be a lot of people out in the community who would benefit from the kind of training he can provide. He just has to get three things right:

- he must provide what people want
- he must provide it in the way they want it
- he has to tell people about his services

In marketing jargon, these points translate into:

- service definition
- service delivery
- communications

In this book we are going to be principally concerned with communications, and particularly with **direct mail** as a means of communication. Lesley finds that service definition is something he has to do all the time anyway - he has to keep asking himself whether the services he provides need to be improved or extended in some way.

He has also decided that one of the most effective ways he can deliver training, because it is one of the most flexible, is **Open Learning**: it allows him great freedom in service definition, by providing a huge range of courses, and it allows him to tailor them as far as possible to individual student needs. So in this book we are going to look above all at Direct Mail Marketing of Open Learning.

There are, of course, many other ways of providing training - short courses, long courses, day or block release, etc. - and other ways of marketing them. Our aim is to show that they **all need marketing.** We also hope that what we say about Direct Mail will give you ideas about other types of marketing.

Is Lesley providing what his potential customers want? How can he find out? There is no single 'right' formula to do this. There are just methods that can be used in different situations. Some may be right for you, others will not.

Write down a few methods you might use to determine what courses you really need to offer in order to attract students.

What you have written down will depend on your own local circumstances. Your ideas will probably fall into two categories, which we could call intuitive and quantitative.

Lesley has, over the years, built up friendships with a number of local school teachers. They have talked frequently about the changing interests of their students. They have found in particular that:

there has been a trend away from the natural sciences and towards information technology .

This is intuitive information, and it can be invaluable: it contributes to a 'gut feel' of right kind of service definition.

Lesley is trying to plan the service he will be providing. From that point of view, can you guess which was the key word in the description of the information he learned from teachers:

A *intuitive*
B *changing*
C *interest*
D *service*

There are many other sources of such intuitive information. Information of the kind Lesley got from his teacher friends was direct: it concerned student choices directly. Information could also have come from local employers.

Finding out what skills are being demanded gives a good indirect indication of the kind of courses likely to be demanded by students in the future.

Think about ways you might find out about the skills demand in your area. Have you spoken to local employers directly? What about employers' organisations, such as the Chamber of Commerce? What about attending trade exhibitions - or even arranging your own?

What about quantitative information?

Quantitative information, as its name implies, is likely to be more precise and more reliable. It comes from techniques such as surveys and completion of questionnaires, and involves relatively heavy use of statistical methods. Again, trends are vital and it is often useful to repeat the same survey at different times. Later in this book there will be examples of data obtained from surveys of this kind.

The disadvantage is that this kind of work is time-consuming and often expensive. Frequently, too, if you are in close contact with the local community, your 'gut feel' about the way demand is developing will be very accurate and surveys may only confirm what you already knew.

Even if you do decide not to do much in the way of survey work there is one audience you could usefully trawl - your own students.

Spend a few minutes thinking about how you would set about planning a survey of student views. In particular, think about the questions you might ask and when you would ask them.

How you provide your teaching can be just as important as what you teach. The groups who can provide the students to replace the loss in numbers of sixteen to nineteen year olds are very often in no position to take standard, full-time courses of any length.

As well as making sure that courses have the right contents to attract new students, it is vital therefore that they allow patterns of study that are attractive.

Clearly, Lesley needs to use the same techniques to gather information about service delivery as he did for service definition. He may use surveys of different groups to establish quantitatively what is being demanded; he may equally base himself on a 'gut feel' that certain types of courses are particularly appropriate for different groups of students.

Certainly, there will be students who will want short courses - a day, two or three days - or any of many different patterns of part-time course (a day, a week, a few hours a week, perhaps one or two hours a day).

But one type of service delivery that Lesley believes will be particularly successful is Open Learning. The reason is that what it loses in terms of teacher contact it compensates by its almost limitless flexibility: students advance at their own rate, studying at their own times. Employees with variable workloads, shift workers, full time parents: many groups will find Open Learning gives them an opportunity to study which they would not otherwise have.

In your view, which of the forms of teaching in the right-hand column are most appropriate to the groups in the left-hand column?

Managers in business	*Open Learning*
Parents of pre-school children	*Day Release*
Firemen	*Block Release*
School Teachers	*Standard full time*
Apprentices	*Part time: a few hours a week*
Nurses	*Part time: a few hours a day*
	Short courses (a few days)
	Others (define your own)

Communication marketing is the real subject of this book.

- Lesley has chosen the range of courses he intends to offer **(service definition)**

- He has decided that he will use open learning to attract new students **(service delivery)**

But he is in a **buyers'** market: it is not enough to wait for customers to come to him. Even if he has the right services, provided in the right way, there is nothing to guarantee that he will sell his courses.

He has to get out into the marketplace and make sure his potential customers know he has the services that they need.

This is **communications marketing.**

There are of course many ways for Lesley to promote his services. Many are inappropriate:

- Advertising in local newspapers or on local radio, for example, is expensive and is unlikely to reach more than a small percentage of the intended customers. Is not sufficiently targeted.

- The distribution of leaflets through the doors of individuals and organisa tions is also expensive, time consuming and does not discriminate - everybody receives one.

- Posters displayed at strategic points around the community will attract some people, but posters can only communicate basic messages and are often seen "in passing". Full reflection on the message is not possible.

The studies he has already carried out have shown him what he needs to provide for which specific groups of people. So he has a targeted offer. Why not promote it in a targeted way?

One way to target advertising is by **Direct Mail**

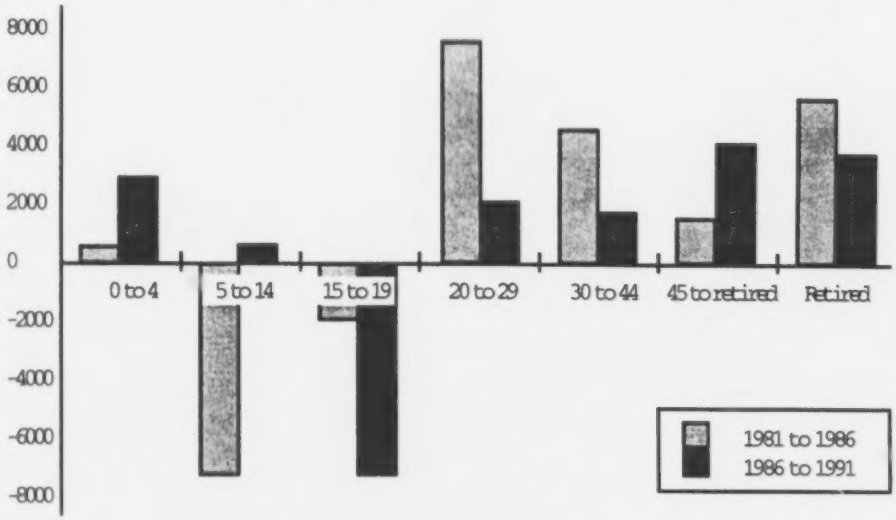
Direct Mail, with its particular characteristic of taking your message directly to a carefully targeted audience, is ideally suited to this kind of work.

The combination of Open Learning and Direct Mail could be just the mixture of a leading edge product with an advanced technology that can provide Lesley - and you - with the new successes Education needs.

What are the main steps in preparing a marketing campaign?

In 1987, Bedfordshire County Council[1] carried out a detailed investigation into Open Learning in the County. One of the pieces of evidence it collected was the change in the age structure it could expect by 1991, compared with a decade earlier. The results were particularly striking for the Further Education sector:

Population age structure change in Bedfordshire, 1981-1991



Changes in age structure for Bedfordshire, 1981-1991

The massive drop in the 15-19 year old group means that Further Education must look for new areas to provide the students that are its life blood.

And Bedfordshire is typical of the country as a whole in this respect...

One FE College lecturer to another:

"I need a brochure for our captive market"

What is the 'captive market' meant? What is the fundamental error being made here?

[1] Figures from the Bedfordshire survey are reproduced with kind permission from D P J Browning, CBE MA, Chief Education Officer of Bedfordshire County Council.

Section 2.
Marketing open learning: the problem

In this section, you will learn about the changes in Eduction that have affected Open Learning in recent years.

By the end of the section, you should:

- understand the concept of market segments
- identify the best ways of communicating with them, of which direct mail is one.

Open learning is not a new concept. It has developed particularly quickly over the last 5 to 10 years, in Britain and elsewhere, through flexi-study and other forms of delivery. In Britain, the advent of the Training Agency (now the Training Agency) and, more recently, the growing concern of central and local government to make further education more responsive to the needs of industry and the community, have acted as a spur to new advances in the use of Open Learning techniques.

Open Learning is seen as a very flexible means of delivering education to groups who would otherwise have little or no access to it. It meets a variety of needs.

- Short sharp bursts of training or education. Open Learning is ideally suited to tasks such as converting technicians into salesmen at a time when there is a downturn on the production side of industry.
- Management updating. The busy executive can keep abreast of legal changes, or learn about exporting, listening to audio-cassettes in his car.
- Skills training. The engineering industry, for instance, now requires multi-skilled staff. Open Learning provides engineering departments with the means to convert electrical or mechanical engineers swiftly into electro-mechanical engineers, or teach staff add-on skills such as refrigeration or maintenance.

Lesley found two main problems in marketing Open Learning:

1. The concept of Open Learning is unfamiliar to many people, particularly those not directly involved in education or training.
2. Most firms are unaware of the vast range of Open Learning materials available for their use.

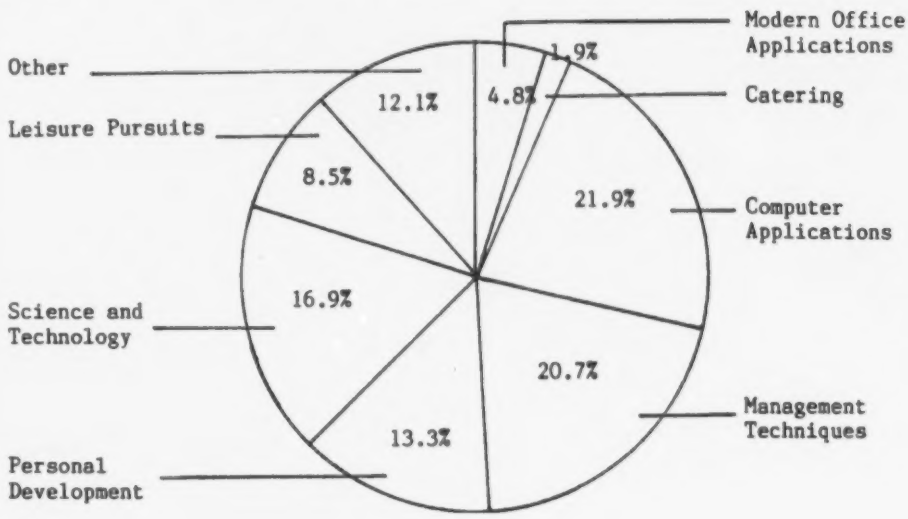
So, if Lesley is to market Open Learning successfully, he has to:

1. start by deciding just what Open Learning is, and what benefits it can provide
2. make clear that Open Learning provides a particularly adapted solution for a specific, identified training problem in our target audience. This means indentifying a **market segment:** a section of the population with similar perceived needs that can be met by the services you offer.

Women's preferred courses

Preferred subjects of study: Women.

Men:



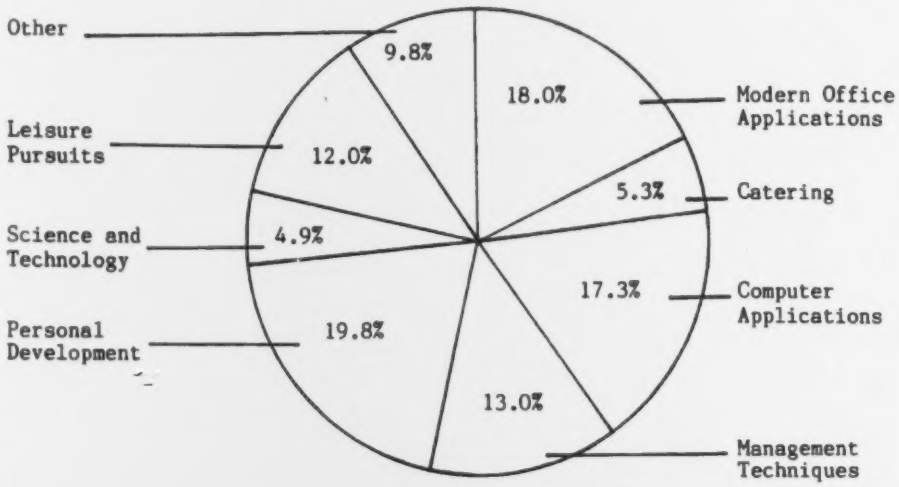
Comment on a suggestion to:

- *promote a biochemistry course to members of playgroup associations.*
- *market computer courses to secretaries.*

Men's preferred courses

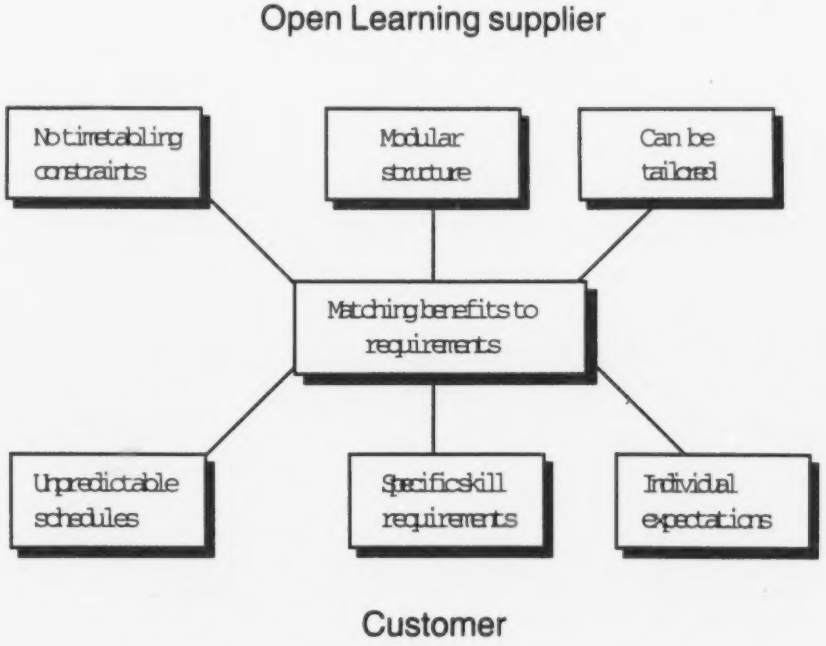
Preferred subjects of study: Men.

Women:



Comment on a suggestion to:

- *promote a kitchen skills course to divorced men.*
- *market computer courses to local companies.*



There's no secret to success in marketing:

- listen to your customers to discover their needs.
- provide benefits that meet real needs, not what you think the needs should be.
- make sure your customers know what you're offering.

Its obvious and simple. But are you doing it?

Recently overheard in a Further Education staff room:

"It's only because of the recession they don't want milling and grinding courses. You just wait and see: when the recession is over, they'll be clamouring for them again - we just have to keep them going in the meantime".

Which of the following courses of action should the lecturer in charge of milling and grinding courses adopt (ranking them by how appropriate they are):

1. Wait until the recession ends

2. Visit other colleges to find out what they are doing

3. Contact product engineers to find out what kinds of new equipment they are installing

4. Meet supplier of engineering machinery to see what the marketing plans for their products are

5. Visit an engineering scrap yard to find out what engineering machinery is being thrown out

6. Survey engineering training officers to establish their requirements

Remember that you are trying to match the benefits of what you offer to real needs.

Section 3.
The competition

In this section, you will learn about identifying your competitors and preparing a strategy to compete with them. In particular, you will be introduced to the concept of SWOT analysis.

The great advantage of Open Learning over its rivals is, paradoxically, the very point most often cited against it: its price.

Open Learning materials are undoubtedly expensive. However, expense is relative: when talking or writing to training officers, we need to stress the expense of the alternatives:

- what are the costs of not training at all? For a firm, it means falling behind the competition and losing its edge; for an individual, it means reduced career prospects, or even worse, the danger that redundancy - and who can be sure today that they will never be redundant? - becomes a disaster, where it could have been an opportunity.

- what are the costs of sending a member of staff away for a week's course? how much are course fees?

- what will travelling expenses add up to?

- how much will it cost to provide substitutes to cover for absent staff?

What Open Learning provides is:

Training
at your own place
at your own pace

Other groups of individual learners, such as the disabled, unemployed or shift workers should have the same benefits stressed to them.

SWOT analysis

To focus his thoughts on the comparative benefits of his chosen training vehicle, Open Learning, Lesley decides to use SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. This is a standard marketing technique for identifying the main features for a competitive market. The aim is to highlight relative strengths, to eliminate or at least reduce weaknesses, to capitalise on opportunities and to defend against threats.

Bear in mind that it is relative strengths and weaknesses that you are analysing: you are interested in how your product or service compares with its competitors. Here, by way of example, is Lesley's SWOT analysis for block release as a competitor to Open Learning.

Strengths

Intensive tuition over the release period. Interaction with other students. Direct interaction with tutors.

Weaknesses

Time constraints (students have to attend at the same time), and the related problem for employers of providing cover for missing staff over long periods. Obligation to work at pace of other students. Expense.
Opportunities (i.e. opportunities for block release)
Apprentice training. Firms re-training employees in new skills over an extended period.

Threats

Tendency of big companies to poach skilled staff rather than train their own. Rivalry from other more flexible and less expensive methods of delivery: Open Learning, short courses, day release.

> *What might Lesley's SWOT analysis for Open Learning have shown? From just these two analyses, what lessons do you draw for promoting Open Learning?*

So much for competing with other forms of learning delivery. But what about other providers of Open Learning, or of courses with a large Open Learning or Flexible Learning component? It is obviously vital to be aware of all competitors in the subject or geographical areas in which we operate.

Now list all your competitors, in two classes:

1. *Subject area: i.e. all courses in a subject that you offer*

2. *Other open or flexible learning: don't forget that a potential student may have decided that Open Learning is the right method of study, and be hesitating between a number of subjects (e.g. 'Updating IT skills' or 'Word Processing'); you have to show that your offering is better suited to his or her needs than your competitors'.*

For each competitor, obtain as much as possible of the following information:

1. *Who are they?*
2. *What prices do they charge?*
3. *What market segments do they address?*
4. *What market sector are they in:*
   - *(i) High quality, low-volume, expensive*
   - *(ii) Cheap and cheerful, high-volume?*
5. *Subjects offered*
6. *Technology used for delivery (Print, CBT, Audio-visual, etc.)*
7. *Is in-plant tuition offered?*
8. *How are you and your competitors perceived by your potential customers?*

Carry out a SWOT analysis for each of your competitors and yourself. Decide in what areas they compete with you head-on. Try to determine whether variations in your prices and theirs reflect real differences in quality.

On this basis, you should be able to determine your promotional strategy: which groups you will go after, which you will leave alone, what pricing strategy you can apply, which benefits of your offering you should stress particularly, etc.

Section 4.
Why direct mail?

In this section, you will be finding out about the specific benefits of using Direct Mail as a method of promotion.

Lesley has decided that he is going to launch his Open Learning campaign principally through a series of direct mailshots. There are a number of reasons why he feels this is the best choice: one is that it is cost effective (since this is an overworked word these days, it is worth explaining that it means that it is effective, at low cost), and above all that it is targeted. Lesley has decided that, as we saw in the previous section, he needs to address very closely defined groups of people; he feels there is no better way of doing that than through personal letters to those people and no others.

In particular, the types of people he needs to contact are to a great extent determined by his objective of selling tutoring time: although individuals will undoubtedly pay for some additional tuition if they can, the best source of such income will be from firms taking Open Learning materials as a means of training their employees, but needing tutorial back-up to help students master their courses.

Low cost

Advertising in specialist journals tends to cost between 500 and 2000 for a one-pay advert, depending on position, use of colour and the size of readership. Advertising in such journals has the advantage of targeting a particular audience for you: hardly an administrator in the health service fails to read the 'Health Service Journal' each week. The disadvantage is that such journals are not targeted geographically.

The local press is cheaper, and lets you cover a particular geographical area, but the bulk of the readership will be outside your target group, and many of those you would like to target probably live outside the area of circulation of your local papers.

In any case, you will need to repeat your advert twice or even three times, in the hope that as large as possible a percentage of your target audience has seen it, and also to jog memories if you want people to do something (e.g. return a form).

Such a campaign is unlikely to cost less than 1500 and could cost much more. A good Direct Mail campaign need not cost more than 400 or 500. On condition that the preliminary research has been carried out effectively, you can be sure that your message is going to a very high percentage of the people you need to address, and to very few others. You will also be speaking to them directly, in their own homes - to be really effective, you should personalise letters.

Even if you spend more, by going for expensive leaflets, generally you should print enough to cover more than one campaign.
All in all, Direct Mail is undoubtedly one of the most cost-effective ways of using your advertising budget.

The main benefits of direct mail

1. *It is highly targeted.*

   The mailshot goes only to particular groups, with specific characteristics. This makes it a particularly effective method of promotion, especially for small market segments.

2. *A letter is private*

   Each mailshot is addressed to a named individual who has some recognis able quality in common with the others in the target group. This means that the contents and style will also be specific to the audience.

3. *A letter has an exclusive impact*

   A letter has the reader's undivided attention, whereas advertisements and other forms of promotion can be ignored and may even clash with each other.

4. *Timing*

   You can time your mailshots to fit in with a broad campaign, or to reflect specific events: e.g. a mailshot timed to coincide with a change in legislation.

5. *Monitoring feedback*

   Monitoring responses (made particularly effective if reply-paid cards are used) is one of the major benefits of direct mail campaigns. You will be watching for:

   - the response rate
   - the conversion rate: the number of actual sales generated

   This information will allow you to fine-tune your database, targeting it more accurately still for your next mailshot. Your direct mail activity can therefore improve from campaign to campaign.

Customers not students

Open learning is targeted at groups that are more used to being treated as customers than as students. A customer has certain rights, and expects to be treated in a certain way. A personalised letter delivered to a prospect's house accords him or her the status of a potential customer. A prospectus is something you send out to a student rather than a client, and of course a media advert, useful though it is in its own way, is impersonal.

"During the 1970's a major Scottish insurance company wished to promote the concept of index linked policies for household contents in order to keep the sum insured in line with inflation. A number of clients had independently requested such policies and the company was interested to assess the potential market and develop a strategy for reaching it, if it appeared worth developing. An analysis of existing clients in terms of demographic characteristics (age, sex, income, occupation, etc.) resulted in a `profile' of the likely customer and the computer was then instructed to search for policy holders who met the profile but who had not taken out index linked insurance. Based on the profile a direct mailshot was prepared which emphasised the benefits of index linking for customers with the characteristics selected and this was circulated to all policy holders identified by the computer. A significant proportion of all those approached opted for the new policy with automatic premium increases on an annual basis."

Michael Baker: 'Innovation - Key to success', Quarterly Review of Marketing.

Cost and effect

It is all very well to say that Direct Mail is a cost-effective form of advertising, but just how costly and just how effective is it? The answer is that the only person who can decide that is yourself - by doing it.

That is how Lesley tested the water. He decided to produce a leaflet for his mailshot, at a cost of 800 for a 4000 print run, although he intended to use the leaflet only for two mailshots, with half the costs assigned with each (any spares could then be distributed at meetings, exhibitions, etc.). Each leaflet includes a tear-off response slip asking for further information. The slip uses a Freepost address for first class postage: i.e. he will pay postage only for responses that are actually sent in. He also calculates that to get his mailshot into the post (i.e. produce letters, address envelopes, put the letter and leaflet into the envelopes, stamp or frank the letters second class and post the letters) would cost 400 for every 1000 envelopes.

What he was offering was a range if IT skills courses which he believed would be appropriate to local companies. He therefore carefully selected 400 companies in his region, and sent the initial mailshot just to them.

The suppliers of the course provided him with brochures giving information about the course contents, at 2.00 per brochure. Lesley decided to send a copy of the brochure to anybody responding to the mailshot.

The courses themselves all cost 250, with 20% going to the college (i.e. 50). In addition, Lesley believes that any firm taking the course will need also to take 12 hours of tutor time, which Lesley intends to charge at 25 per hour. In other words, the net revenue to the college for each course sold would be 50 on the materials and 300 in tutor time.

Based on the standard statistics used by most direct marketing planners, Lesley can expect a response rate of 1%-5%. He would hope to convert 20%-40% of responses to sales.

His costs are therefore:

leaflet production (half the print run):	£400
mailing cost:	£160
cost per response:	20p per reply paid card +
	£2 per brochure sent out

Costs:

Response rate	1%	2%	3%	4%	5%
Mailshot costs	560	560	560	560	560
Response costs (reply paid slips+ brochures), rounded to the nearest pound.	9	18	27	36	45
Total costs	569	578	587	596	605

Revenue:

20% conversions	350	700	700	1050	1400
30% conversions	350	700	1400	1750	2100
40% conversions	700	1050	1750	2100	2800

The double line marks the break-even position (i.e. the borderline between profit and loss). Clearly, on Lesley's calculations he just has to obtain a better response than 1% or maintain a better conversion rate than 30%. **Warning:** Be careful not to be over-optimistic.

Re-do these calculations assuming that the leaflet actually costs 1200 to produce, and Lesley only manages to sell 6 hours of tutoring time on average.

Note: *You can maximise your response rate by carefully targeting your mailshot - obviously, the better you have chosen your targets the better the response you will have. You can also increase your response rate dramatically (up to 5%-8%) by using follow-up telephone calls. Obviously, that involves additional costs, but that should not worry you: the only criterion you should apply is whether the exercise as a whole is profitable. If you do think it might be useful to follow up by telephone, then redo your cost and revenue calculations taking the cost and effect of the telephone campaign into account (taking advantage of cheap rate arrangements, and remembering that assembling telephone numbers is an additional effort, but it can be minimised by combining it with the mailing list production process). Go ahead with the campaign if - and only if - there is a good chance of the exercise being in profit.*

Lesley has not taken into account in these calculations the fee payable for each Open Learning student enrolled into the college, under the formula funding arrangements. Clearly, when you come to costing out your own Direct Mail campaigns, you will need to take all possible sources of revenue into account.

Section 5.
The impact of computerisation

The aims of this section is to familiarise you with the impact of computers on marketing work.

The advent of powerful but cheaply priced computers has revolutionised the possibilities for direct mail marketing.

Obviously, you do not have to use a computer to run an effective direct mail campaign. But you will certainly find it far more difficult without one:

- Storing addresses: the only reasonably efficient way of keeping a list of names and addresses up to date without a computer is a card index system, such as a rotadex or a standard card file. Maintaining such a system manually is time-consuming, but perfectly possible, as many college offices or GP surgeries prove daily. Where things become difficult is when you want to start selecting from your address list or sorting through it:

  ► A card system can only be sorted in one way, usually in surname order. But on a computer, you can re-sort your list rapidly in any way you like - e.g. by date of birth, by street of residence, etc. - and still return to your original surname order whenever you like.

  ► As your manual system is sorted in only one way, the only way you can select from it easily is on that basis: e.g. if you have sorted your addresses by surname, it is easy to select all those with surnames in the M to P range, say. On the other hand, it is very difficult to select all those with dates of birth between January 1953 and December 1956. In fact, the only way to make such a selection using a manual system is to read through the entire list and pick out those meeting the selection criteria. This becomes impractical if the list is of any size, and is in any case prone to errors. This is just the kind of function that a computer carries out rapidly and easily.

- Where the manual system fails completely is when it comes to personalising letters: you have no doubt seen the letters from organisations like Reader's Digest, telling you personally, by name, that you have been selected for some privileged service (along with 3 million other people...).

When the SDP was formed, it mailed letters to thousands of supporters and members asking for their views: the letter was addressed to each person by name, and set new standards of slickness in political promotion. How do you do that with a manual system? By typing each letter individually? That may be possible if you are mailing up to, say, 50 letters (but your secretary may have a different view...). When it gets to 1000 or so letters, the scale of the problem goes beyond the capacity of a manual system to handle.

You may be able to get away without a computer for a direct mail marketing campaign, but only at the cost of immensely increased difficulties for yourself.

Software

Software is the term used for all the systems that are run on computers, and allow you to use them to do what you want: word-processing, storing of names and addresses, etc.

A great many Open Learning teachers will not have needed that explained to them. If you did, don't worry: Lesley has absolutely no idea about computers and has no intention of learning. Fortunately, he has an extremely able assistant who can run a computer for him, leaving him free just to specify what information he needs and how he wants documents produced for his marketing campaigns.

Of course, there is nothing to stop you learning to use the systems yourself - it can be a fascinating pastime, but be warned: you can spend a lot of time on it. There are many software systems, or packages as they are usually called, available for running mailshot campaigns.

You will need:

1. a **Database** package, allowing you to hold all your names and addresses on computer in such a way that you can sort, select or edit them easily. Standard software includes Microsoft File, or better still Microsoft Excel which is a spreadsheet (see below) that can also be used as a database, or Dbase III and similar systems.

2. a **Word Processing** package, on which to prepare letters. Store your letters on the system, so that you can just adapt them to new mailshots, rather than starting from scratch again each time. WordStar and Microsoft Word are amongst the most popular, and you won't go far wrong with either of them, but there are many other systems.

Warning: you must make sure that your word processing and database systems can 'talk' to each other, so that information on names and addresses can be automatically 'merged' into your letters. One of the easiest ways to make sure that this is the case is to buy both packages from the same manufacturer, as generally they make sure their different systems will all communicate with each other. But the major companies are increasingly making sure their products are standardised and can be linked up with each other. Check with your supplier before buying your system.

3. A bit of a luxury, but a tremendously useful one, is a good **Spreadsheet** package such as Excel or Lotus 1-2-3, which you can use to store and analyse your result. This will help you identify areas where your marketing could be made more effective, and fine-tune your targeting.

Section 6.
How to organise a direct mail campaign

At the end of this section, you should have a clearer idea of what is meant by targeting of a marketing campaign, and have some initial information about possible targets for your own campaigns. You will also have learned about some of the ways you can build up a database for your campaign.

Targeting

Remember that Direct Mail is not the same a junk mail: junk mail is like putting a brick through every door in the hope that you will find the people who need some building work done; direct mail addresses only those you have previously identified as being in the market for building work.

Do not expect too much of a direct mail campaign: as we saw before, a mailshot is likely to generate a 1% to 5% response. That may sound poor, but bear in mind that the investment you are making is tiny compared with any other form of advertising.

Even that 1%-5% level can only be obtained with careful planning. The scatter gun effect - e.g. writing to every household in the neighbourhood with general information about your college, irrespective of whether they have anybody likely to be interested - will give far poorer results. Just remember: how often have you received a mailshot trying to sell you something for which you have no need? How much did you read of it before filing it to the bin?

The solution is careful targeting. Targeting is where you have to make the greatest effort in preparing the mailshot. You have to identify what kind of person you are writing to, and then find the names and addresses of your audience.

And remember: a telephone follow-up can significantly improve the impact of a mailshot (taking the likely response level from 1%-5% to 5%-8%)

More from the Bedfordshire Survey

Factors encouraging people to study

Don't forget that targeting also means checking that you are providing what your target group needs. Here are some of the major factors, identified by potential customers, influencing their decision to start a course of study.

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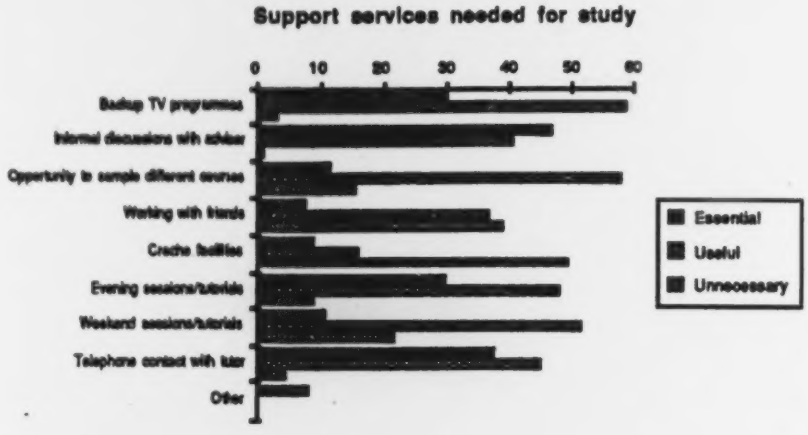


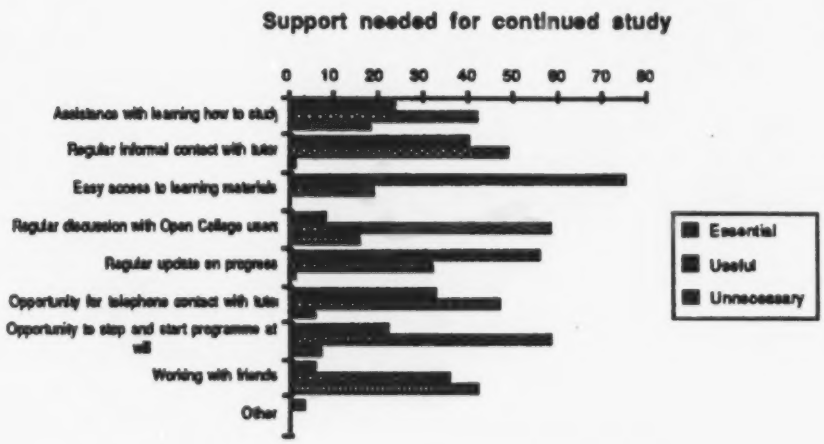
Is it enough to offer a course of study in which customers are given the materials and left to get on with it?

Factors encouraging people to continue with study

Promotion doesn't mean just finding new customers: it also means holding on to the ones you have. Again, the Bedfordshire survey is very revealing:

Support needed for continued study

Promotion doesn't mean just finding new customers: it also means holding onto the ones you have. Again, the Bedfordshire survey is very revealing:



What would you like to be able to tell your audience about your library?

What is the common factor between this graph and the previous one? ***In what way is it particularly significant to Lesley?***

Construct a letter targeted at one of the following:

1. *Community programme leaders, with a largely male client group, the majority of whom left school at the minimum school leaving age and have little or no experience of continuing or adult education.*

2. *Publicans within a six-mile radius, to whom you want to offer a Pub management course.*

3. *Women wanting to return to work after a five-year gap for child rearing.*

Section 7.
Target groups for Open Learning

Small firms

The vast majority of small firms (under about 20 people)[1] do not have a training department or even a training officer. The person in charge of training will probably only see training as a secondary responsibility. Most small firms know nothing of Open Learning.

This is both an advantage and a disadvantage. You may have an uphill struggle explaining just what Open Learning is. On the other hand, if the firm has no training budget, once it has grasped the benefits, it may well use Open Learning alone for its training needs, whereas in a larger firm Open Learning would be seen only as an additional source of training.

Managers of small firms will not come to see you. You have to invite yourself over: in your Direct Mail letter, make it clear that you are offering to visit the firm yourself. When following up your Direct Mail campaign, be ready for the classic objections: "I'm up to my eyes", "it's our busy period". Find out when they start work; if they say 9:00, offer to call in at 8:30; if they say 8:30, offer to call in at 8:00. It's amazing how much more relaxed people are before the telephones start ringing.

Your direct mailshots to small firms should be concerned with the benefits to your target audience in general. Specific details should be left to your visit.

Remember that small firms suffer far more disruption than large firms if a member of staff is away at college for a week. This is a particular benefit of Open Learning to small firms.

Medium firms

A medium-sized firm (20-200 people) is likely to be more aware of the benefits of training for its staff, and may well have a budget set aside for the purpose. On the other hand, they are unlikely to have a highly-developed in-house training system, which means they are an excellent target for Open Learning materials. They are generally fairly easy to deal with, as they often have training officers or a specific staff member with whom you can deal.

[1] The Training Agency uses different categories of firms: to some extent, it is up to you to decide what you mean by large, medium and small, in the light of your own experience.

Large firms

Large firms (over about 200 people) probably have their own training facilities, supplemented by consultants from outside. In principle, this would suggest that they are not an obvious target for Open Learning material, but this is not necessarily the case: although they are unlikely to require courses in mainstream areas such as selling or presentation skills, they could probably benefit from Open Learning in more specialist areas (e.g. exporting to particular countries) or in refresher type courses which they can issue to staff for use in their own time.

These firms are likely to react most favourably to the benefits of training on cassettes which can be listened to by executives during the long hours they tend to spend in their company cars.

Which firms?

Any firm is a possible target for Open Learning. Small ones may have no other source of training, large ones might be able to include open learning in their programme. But there are particular types of business which experience has shown are especially likely to benefit:

- companies in sectors where unsocial hours are the norm, such as catering or public houses. But remember that you may do better with this kind of business by exhibiting at a conference than by direct mail.

- services such as the Fire Service, where there can be long periods of inactivity at work.

Professionals with no time for training

Rank the professionals who you feel are most busy and most in need of training.

List the main benefits of Open Learning for such professionals.

Write a short letter:

(i) *explaining these benefits, to someone from the group you ranked first on your list.*

or

(ii) *to dentists, in your travel-to-work area, explaining the benefits of the Dentists' receptionists' training course*

or

(iii) *to medical Practitioners, highlighting the advantages for them of taking an Open Learning IT course.*

The most common are computer skills, which represent a growth industry for training.

Implant updating by computer-based training disks may be an ideal product for this sector.

Scanning the local press for details of companies that have recently introduced new equipment or new techniques may give you leads on prospects for skill updating courses.

List five techniques or technologies that have been recently introduced and that could open up potential new opportunities for Open Learning

Shift workers

It is difficult to deal with individuals who work shifts. Coping with their individual requirements can take up a very great proportion of the Open Learning coordinator's time.

There is, therefore, immense benefit to be gained by identifying firms where shift working is common and then targeting their training officers, rather than attempting to deal with the individuals themselves. Your local trades council may help you discover which firms locally work shifts. You might do well to invite training officers to a seminar on the benefits of Open Learning, and then use the attendance list as the basis for a mailshot.

The disabled and unemployed

The disabled can be reached by contacting Hereward College in Coventry (Bramston Crescent, Tile Hill Lane, Coventry, CV4 9SW). Locally, the best strategy is to contact organisations that deal with the disabled and encourage them to display literature about Open Learning in their centres. Obviously, the more severely disabled have to be approached on an individual basis.

Meeting the educational needs of the unemployed on an individual basis is very time-consuming, and can be extremely unproductive, in view of the costs of the materials involved. It is best to deal with agencies like the Community Programme, the Department of Health and Social Security and Unemployed Workers Centres, and to become a supplier to those agencies rather than to the unemployed directly.

What are the benefits of Open Learning for small firms?
What are the benefits of Open Learning for managers of larger firms?

In the table below, rank the following groups as targets for the various Open Learning packages listed, on a scale running from 0 (totally unsuitable) to 10 (ideally suited).

	Foreign languages	Starting a business	Refrigeration	Receptionist, telephonist skills	Sales skills	Welding
Drop outs from evening classes						
Claimants of:						
1. Unemployment benefit						
2. Enterprise allowance						
3. Disability allowance						
People who have booked foreign holidays through travel agents						
The electoral roll						
Yellow pages entries for:						
1. Dentists						
2. Butchers, fishmongers						
3. Accountants						

How do you find the information you need?

Local businesses: chamber of commerce, local authorities, specialist mailing list agencies, even local telephone directories. It is also worth writing to agencies which are themselves providing training to local businesses. You may well be able to obtain addresses of firms from friendly contacts in secretarial agencies, etc.

The market is very diffuse, so targets are not necessarily immediately apparent. For example, if you are attempting to promote Open Learning material on exporting, it is difficult to establish from a list of local businesses just who is exporting and who is not. A better source of the information you need is likely to be foreign embassies, who can tell you what firms from your area export to their countries.

The disabled and unemployed: the most fruitful approach is to address the agencies providing training for the disabled and unemployed, rather than going directly to these groups themselves.

What information do you need to record?

- *Name*
- *Address, including postcode, telephone number if possible*
- *Name and telephone number of a contact in a firm*

For businesses: firms are probably your most important target group, as they have the funds to pay for their educational and training needs. There are various factors that you should bear in mind, and which you need to record in your database:

- type of activity: an organisation that runs 24 hours a day is likely to have slack moments that staff could very profitably use for training with open learning materials. Obvious organisations would include the Fire Service, the Police, security companies, etc.

- size of company. As we have seen, small, medium and large companies may well have very different training needs, and so records on them should be kept separately:

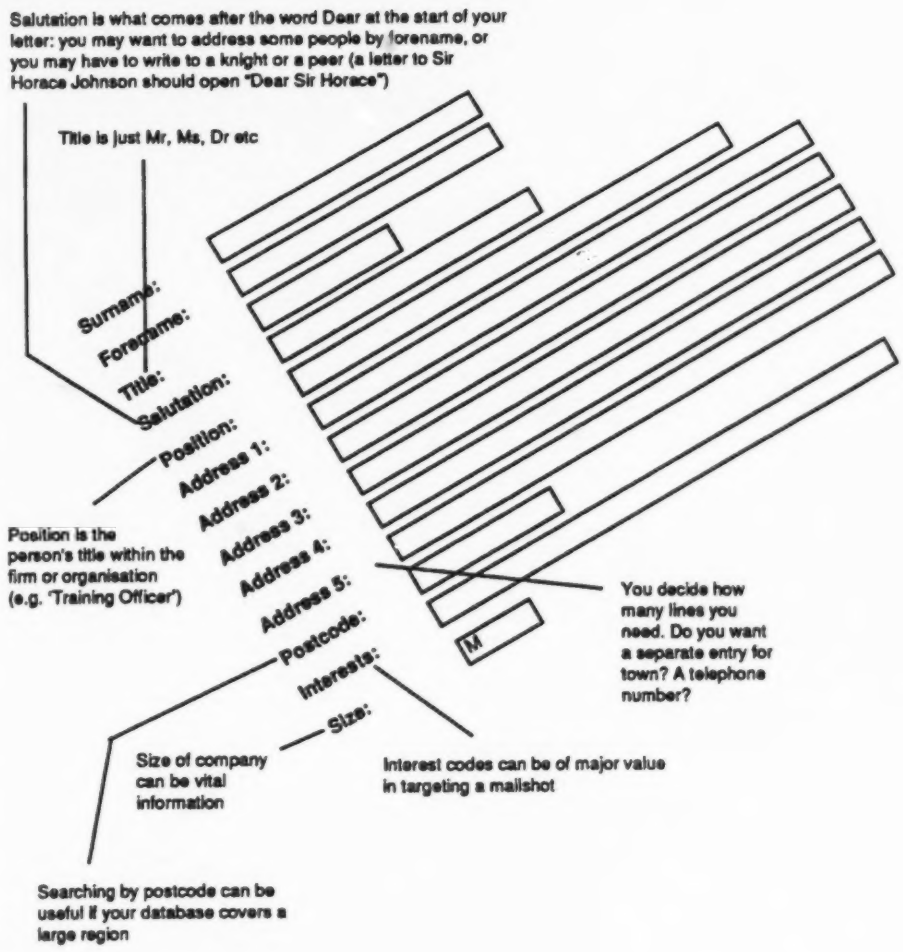
  - ► small firms (under 20 people)

  - ► medium firms, between 20 and 200 people

  - ► large firms, over about 200 employees

Recording the size of the company will be immensely useful to you in planning your mailshot campaigns.

- type of business: targeting your mailshots means offering the right services to the right companies. Engineering courses may not be particularly interesting to a hairdressing salon.


Salutation is what comes after the word Dear at the start of your letter: you may want to address some people by forename, or you may have to write to a knight or a peer (a letter to Sir Horace Johnson should open "Dear Sir Horace")
Title is just Mr, Ms, Dr etc
Surname:
Forename:
Title:
Salutation:
Position:
Address 1:
Address 2:
Address 3:
Address 4:
Address 5:
Postcode:
Interests:
Size:
Position is the person's title within the firm or organisation (e.g. 'Training Officer')
You decide how many lines you need. Do you want a separate entry for town? A telephone number?
M
Size of company can be vital information
Interest codes can be of major value in targeting a mailshot
Searching by postcode can be useful if your database covers a large region

Layout of a typical record in a mailshot database

Letters

Experience shows that direct mail campaigns work far better if a letter is included, and not just a leaflet.

A personalised letter is far more likely to elicit a response: this is where the use of a computer-based system really comes into its own.

Mrs Alice Robertson
Mills and Johnson
21 Sudbury Walk
Barchester
Barset BA3 7QJ

1 June 1988

Dear Alice

Word processor training - to suit your schedules

Why do those vital courses in word processing skills never fit in with the schedules of the staff who most need them?

Don't you find it infuriating to see secretaries who were to busy for the course last week, sitting idle today?

What you need is one of the new range of Open Learning courses in Word processing techniques now available from Barchester Tuition Ltd.

Based on audio cassettes, high quality booklets and a floppy disk, they allow your staff:

- to study at their own pace
- to take advantage of slack periods as and when they arise
- to master a wide variety of hardware and software systems

Above all, they free you of the need to make staff available at specific times which may not be convenient to you.

Courses cover most common computers and the most popular software packages. I enclose a brochure giving you details of the courses, and a reply-paid card you can use to place an order or obtain more information.

Yours sincerely

Adrian Smith
Course coordinator

Mr R.J. Johnson
Western Security
Unit 7
Park Meadows Industrial Estate
Barchester
Barset BA2 1CC

1 June 1988

Dear Mr Johnson

Word processor training - to suit your schedules

Why do those vital courses in word processing skills never fit in with the schedules of the staff who most need them?

Don't you find it infuriating to see secretaries who were too busy for the course last week, sitting idle today?

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Yours sincerely

Adrian Smith
Course coordinator

Letters produced from our sample records

Note the effect of using a 'salutation' field: one letter is to "Alice", the other to "Mr Johnson"

A reply-paid card is a good way to encourage a response (and it is not as expensive as you might think: you only pay for the ones that are used).

Make clear what the recipient is to do by way of response: telephone, send in the reply paid card, attend an event, send a cheque, etc.

Remember that it is benefits that sell products, not features. Features appear on a contour map; benefits appear in a holiday brochure.

Selling a Ford Escort Estate

	Features	
Benefits for a 19-year old male cricketer		Benefits for a 55-year old mother of a grown up family
Nippy	**Good power to weight ratio**	Safe: accelerates well out of danger
Plenty of room for the whole team's gear	**Large boot**	Room for the dogs
Tight turning circle	**Short wheelbase**	Parks easily
Cool in summer	**Brushed cotton seat covers**	Warm in winter
Plenty of manuals for the DIY man	**Popular make**	Garages everywhere
Economical	**Good fuel consumption**	Tends not to run out on you

The features are the same: but the benefits are completely different, depending on your target audience.

You are not talking to fools, so make sure neither your letter nor any promotional literature you include talks down to the recipient.

A far more common problem is attempting to say everything, and ending up with turgid, unreadable text. It is better to use brief bullet points, leaving detailed explanations to further correspondence or a meeting. Using questions, or questions and answers is a good technique:

- do you need to develop your computer skills? our open learning kit ..... will put word processing at your fingertips

Keep your writing simple. A good measure is the Gunning Fog index:

- count the number of words you are using per sentence
- work out the percentage of words of more than three syllables you are using, excluding proper nouns and words ending in -ing or -ed
- add the two figures together and multiply by 0.4. If the index is greater than 10-12, simplify your style.

Typical values are:

DES or HMSO report	*15*
Business report	*12*
Times, Guardian	*11*
Daily Mirror, Sun	*8*

Remember that:

- studies have shown that unjustified text (i.e. text with the right margin ragged) is easier to read than justified text - don't get carried away by the apparent 'neatness' of justification
- short lines are easier to read than long ones. The A4 page is an abomination, which is why you see very few A4 books: a line stretching across an A4 page is far too long, a line covering only half the page is arguably too short. If you do have to use A4, e.g. for a brochure, use two columns. But it is probably best to go for a non-standard size (most printers would give you this advice anyway).

Brochures, Leaflets

Typesetting and printing: the question of cost is often decisive. Weigh up just how many mailshots you could do for the price of printing one four-colour, glossy brochure. On the other hand, remember that the quality of your presentation is part of the message you are communicating: the image you project is a major element in the response you obtain.

You should try to strike a balance between cost and quality: e.g. going for two-colour work rather than four-colour, and a leaflet rather than a brochure, but using good paper and having your text typeset professionally.

Don't forget that a brochure can give information, but is not a selling piece - that is the role of your letter.

A leaflet is a short piece giving limited information, essentially designed to project an image. It can be far more helpful than a brochure in supporting your promotional campaign.

Mailshot quality

Direct mail is the cheapest form of promotion. You should not therefore skimp on production costs:

- use good quality envelopes and not manila - experience shows they are more likely to produce a response

- use a high quality word processor to produce your letter, preferably with a laser printer

Spread over your whole mailshot, the costs incurred in producing high quality material will add only pence to each piece. The gain in terms of improved reaction to your mailshot will be immense.

Costs

Production costs will vary from firm to firm, and will depend on the level of quality you go for.

As a rule of thumb, using an agency to produce your material for you is likely to cost you something in the region of £1000-1500 for production of a two or four-sided leaflet, on good quality art (gloss) paper, using two colours. Don't be afraid of asking for a large number of copies: the difference between a 2000 print run and a 4000 print run is likely to be £100-200. The bulk of the cost is starting the press; letting it run on to produce additional copies adds little extra.

If you decide to handle production yourself, do make sure you have consulted an expert in the use of typesetters and printers. If your college has a printing department, you will have the expertise in-house.

You probably need to count about £10 a side of typesetting. Two-colour printing on good quality paper is likely to cost between £250 and £500, again with the total print run having little overall effect on the cost.

Remember that if you do not use an agency you will have to write your own copy. Obviously, you can write, but can you write promotional literature?

Following up

Any form of advertising has to be part of a campaign. It is not enough to place an advertisement in a journal, if you want to be sure you have really reached your market; in the same way, one letter does not make a direct mail campaign.

- your first letter may have been missed
- it may have prompted a reaction of interest which the recipient has failed to follow up. How often have you thought "Oh, yes, I ought to write off for that", and then forgotten to do it? A reminder may be all that is needed.

Of course, you can overdo it. Generally, the additional response generated by a second letter will be smaller that the response to your original mailshot, and a third letter may produce so little as not to be cost effective any more.

When planning your campaign, what you are likely to need are:

1. your leaflet
2. your introductory letter
3. a reminder letter, to send with another copy of the leaflet, to those who failed to reply to the first mailshot
4. the information pack you intend to send to those who reply to either mailshot (detailed course information, advice on how to apply for the course, etc.)
5. possibly a reminder to send to those to whom you sent your information pack, but who failed to go any further

A five-piece campaign of this kind should give you sufficient coverage of your target audience.

Timing

A mailing piece sent too early or too late will fail.

If you want to catch Easter leavers, there is no point sending out your mailshot in September or May. You should time your first piece to go out in February, with the follow-up in March.

This may sound obvious, but planning a mailshot campaign, getting the material together and the physical process of actually producing envelopes and filling them, always take longer than you might think. To send out a mailshot in February, you must start getting everything together no later than November. Time is of the essence in this kind of work: always make sure you have given yourself plenty.

Other crucial periods are the end or beginning of tax years, holiday periods and, if you know them, company accounting years (in many cases, companies work on calendar years - January is often a good time to catch new budgets, particularly as December has become such a dead month in British industry).

Questions of timing are mostly common sense. You should just remember that it is vital to get it right, and plan your work so that your material is going out at a sensible time, to maximise its impact.

Sources of funding

The Training Agency offers a series of grants for training.

The European Social Fund can be helpful, but only in depressed areas and for the under-25s. In the same way, the European regional development fund and funding from the European coal and steel community are intended for areas with high levels of unemployment.

Grants International Ltd, of Brent House, Kenton Road, Kenton, Harrow HA7 8BT (tel. 01-907-0660) will look for government grants and other funds for educational establishments, although they may charge a fee or a percentage. A registered educational charity, the Directory of Social Change, Radius Works, Back Lane, London NW3 1HL, publishes The Educational Grants Directory, gives information on grants available for educational purposes.

Getting funds from outside bodies to support educational ventures seems to have become a profession in itself. Many larger HE colleges and polytechnics now employ full-time fund-raisers. One local education authority has employed a representative to chase funds in Brussels.

Checklist

Five questions to provide the basis for your Open Learning marketing campaign.

1. Do you know why people buy Open Learning materials and support from you?

2. Do you know who else offers Open Learning materials and support in your travel to work area?

3. Do you keep accurate records of current clients?

4. How do you monitor your current marketing operation for Open Learning?

5. Do you hold information on Open Learning prospects in your area? In what form? How do you gather the information?

Page 5

Question 1
Your list will depend very much on your own local circumstances. There are a few points, however, which you should make sure to include:

1. List all the courses you offer/your department offers/your college offers.

   Go through the list identifying which are the courses attracting most students. With those that have few takers, try to decide whether the reason is that they need to be marketed more vigorously, or whether it is simply that they no longer meet any real need.

2. List the courses that you could offer.

   Don't forget to take into account types of courses which you perhaps did not offer before: short courses, Open Learning, etc.

3. On the basis of your local knowledge, list courses for which you know there is considerable demand or which meet a real need (e.g. a skills shortage affecting local employers).

Comparing what you are currently providing with what you believe to be in demand will rapidly identify those areas on which you should concentrate (areas where demand is high, but little or nothing is being offered) and areas which should be dropped or at least reduced in importance.

Question 2
The answer we were looking for was 'changing'. This is because the most important information when drawing up a plan is information about trends. What you need to know is where things are going - so that you can be there before them.

Question 3
Well, what you decide to do will be very much up to you. But here are a few guidelines:

- Keep the questionnaires short. Don't make completing them a major task

- You are concerned with defining a service to meet actual student needs. Your questions should be designed to find out what those needs are - they should be concerned with discovering student objectives.

- You want to be able to compare results from questionnaire to questionnaire and from student to student. So use a multiple choice approach as much as possible, so that you can standardise the responses.

Below we give an example of the kind of questionnaire that you might use. Obviously, the multiple choice responses we are suggesting are purely indicative: you will need to work out your own, to suit your requirements.

Remember that your aim is to find out information that will be useful to you in planning the courses you will offer in the future. So what you need to know is what people are looking for, and the extent to which what you offer supplies it.

Keep that objective in mind as you design your questionnaire, and drop any questions which will not help you reach it.

1. Why did you decide to take this course?

- ☐ Pleasure/interest
- ☐ Sent by employer
- ☐ Need additional skills or qualifications
- ☐ Other, please specify: .....

2. What, if any, other courses are you taking at the same time?

- ☐ None
- ☐ A levels
- ☐ B-Tech
- ☐ Professional, please specify: .....

3. What, if any, courses have you completed in the last three years?

- ☐ None
- ☐ A levels subject(s): .....
- ☐ B-Tech subject(s): .....
- ☐ Professional, please specify: .....

4. In what area do you work now?

- ☐ Not in paid employment
- ☐ Industry Nature of business: .....
- ☐ Service Nature of business: .....
- ☐ Public sector Nature of business: .....
- ☐ Teaching Subject: .....

5. In what area do you hope to work?

- ☐ None
- ☐ Industry Nature of business: .....
- ☐ Service Nature of business: .....
- ☐ Public sector Nature of business: .....
- ☐ Teaching Subject: .....

A questionnaire like this could usefully be completed at the end of the course as well as at the beginning, with appropriate changes to the questions (you will be aiming to establish whether the student felt that the course had satisfied his original needs: how would you have to adapt the questions?) We would not recommend issuing questionnaires any more often than that: issue too many and they will become a chore for the students, and you will find there is too much data for you to analyse.

Warning: don't forget that questionnaires completed by students will only reveal how well you are meeting the needs of those who are using your services. That gives you an indication of whether you are providing the right services, but only an indication: it is much more important, and much more difficult, to find out about the people who are not taking your courses.

Page 7

1. Managers in business

Business Managers frequently receive their in-service training through short courses, or occasionally on a part-time basis (a few hours a week), but Open Learning is becoming increasingly popular and obviously has many attractions for them, since their commitments often mean that they cannot be sure of being free at particular times.

2. Parents of pre-school children

The chief constraint on parents of pre-school children is the need to remain with the children through most of the day. It cannot even to taken for granted that evenings will be free. This is a group for which Open Learning is particularly appropriate.

3. Firemen

Firemen are an interesting group, representing a small but significant minority of employees, who have to work in short intensive bursts with long gaps in between during which they are on duty but not necessarily particularly active. This makes Open Learning probably the most attractive option for them.

4. School teachers

Precisely because they are teachers themselves, this group is most busy at just the time when most courses are being taught. Although it is not uncommon for many teachers to take part-time courses even now, shifting the burden of learning towards holidays could be of major assistance to many teachers, making Open Learning an attractive option.

5. Apprentices

Apprentices are obvious targets for day or block release courses, the most common forms of teaching for them. However, it is becoming increasingly common for trainers to use Open Learning materials for on the job training.

6. Nurses

In common with many shift workers, nurses find it difficult to follow any course of study based on fixed teaching schedules, unless they are given time off to do so. Release arrangements are therefore relatively common, but there is not doubt that far fewer nurses study than might like to get the chance to study. There is undoubtedly good potential for Open Learning among nurses.

Page 8

First, **Service Definition:** determine what you should be offering, by testing your 'marketplace' (i.e. potential students). This can be done qualitatively ('gut feel', local knowledge accumulated over the years) or quantitatively (surveys followed by statistical analysis: its advantage is that it tends to be more persuasive to those in authority, but it is more expensive and time-consuming).

Research can be direct (information about potential customers themselves) or indirect (information about those who influence potential customers, e.g. local employers, or about existing customers).

Second, **Service Delivery:** how are you going to provide what you offer, so as to meet the real requirements of the customer.

Third, **Communications:** making sure that potential customers know what you can offer them.

Page 9

The reference is to sixteen to nineteen year olds.
The danger with the attitude here is that it fails to take account of the fact that the number of sixteen to nineteen year olds is falling. More important still, it ignores the change from a sellers' market to a buyers' market: today, students have to be sought, as customers, and are by no means 'captive'.

Page 11

1. Members of playgroup associations: lists of such members can generally be obtained from local authorities or umbrella organisations. They are therefore relatively easy to define. They also form a fairly homogeneous market segment: the majority will be women with young children who cannot work or study full-time because of their family commitments, making them an obvious target for Open Learning. The poor interest in science and technology found among women by the Bedfordshire survey, however, suggests that Biochemistry would not be the best subject to propose: personal development or office application type courses would clearly be far more suitable.

2. Computer courses to secretaries: again, the vast majority of secretaries are likely to be women, so the interest in computer applications amongst women revealed by the survey is clearly significant. On top of that, 'gut feel' would suggest that courses in word processing, database management or spreadsheets are of interest to secretaries wishing to advance their careers. Secretaries are probably best approached through mailshots to company personnel managers.

Page 12

1. Kitchen skills for divorced men: this is an interesting example of the break down of 'gut feel' marketing, and therefore something of a cautionary tale. Clearly, it might be expected that many divorced men might suddenly find a need to learn to cook... but the survey clearly shows that there is almost no interest in catering among men. Besides this problem, there is also the very considerable difficulty of building up a mailing list of divorced men, to say nothing of the problem of broaching the subject of their sudden need for training as cooks...

2. Computer courses to local companies: among both men and women interest in computer applications is high. As businesses are major users of computer applications, and managers find it difficult to take part in full-time education, there is clearly an opportunity to market computer courses through mailshots to managers in local companies (Managing Directors, Financial Directors, etc.).

Page 14

Obviously, some variation is possible in the light of local circumstances, but a good ranking would be:

6. Training officers are the people most aware of the skills gap their companies face, since it is their job to try to fill it. Their advice should be invaluable.

3. Contacting production engineers to find out what equipment they are installing now will give you an idea of what you should be teaching now.

4. Finding out the marketing plans of engineering machinery suppliers will give you an indication of how you should be planning courses for the future.

2. Finding out what other colleges are doing will give you some ideas if they are ahead of you, but remember the car sticker "Don't follow me, I'm lost too".

5. and 1. We leave it up to you to decide which of these last two options is the most useless...

Page 16

Lesley's SWOT analysis for Open Learning looked like this:

Strengths
Flexible, allowing students to study where and when they wish, and at their own pace. Overall cost lower.

Weaknesses
Absence of tutor contact and contact with others mean that students have to be highly self-motivated and self-disciplined, and for long periods. Materials themselves tend to be expensive.

Opportunities
Widely-perceived requirement for new skills, in very varied groups of people who have little or no opportunity for any kind of full-time or period-release education (full-time employees, parents, etc.). The perceived need of individuals to train themselves, since many companies fail to train staff. Even among those that do train, the use of Open Learning materials with encouragement from the employer may be a cheaper option than traditional training.

Threats
Low cost training opportunities for non-employed people, usually on government-sponsored schemes. Evening courses, or part-time and release courses if students have the opportunity to attend.

With respect to Block Release, the best target audience for Lesley's Open Learning drive are (a) those who need new skills and who are unlikely to be given much training by employers, and (b) employers who want to train their staff but want to avoid the expense of setting up or greatly expanding their training departments and would prefer to bring in Open Learning material and encourage their staff to use it.

It may not be possible to identify all the individuals in these groups; what Lesley may do is to select particular types of people for whom Open Learning is appropriate, and in particular those who are currently not being actively wooed by competitors. In other words, one competitive strategy is to go for a market segment where competition is lowest.

The *differentiators* of Open Learning - the features that distinguish it most clearly from Block Release and gives it a competitive edge - are its flexibility, particularly the freedom it offers from specific time constraints, and its lower overall cost. These are the benefits to promote (but be careful about the lower price, as cheapness is never an attractive quality; it is better to promote cost-effectiveness, or a formula such as "as fees are only charged for each module, you only pay for what you want when you want it").

The disadvantages are the absence of contact with students and tutors, and the consequent need for high self-discipline. The freedom associated with flexibility is the positive counterpart of the need for self-discipline, and Lesley should concentrate on promoting the freedom aspect (i.e. the positive view); he can also make sure courses are as modular as possible, so that an apparently massive burden of coursework overall is broken down into manageable tasks. **Most important of all:** Lesley should offer tutor time to support Open Learning, to make the course easier while at the same time reaching his target of selling as much tutor time as possible, to ensure that his college can generate profitable revenue.

Page 22

Costs:

Response rate	1%	2%	3%	4%	5%
Mailshot costs	760	760	760	760	760
Response costs (reply paid slips + brochures), rounded to the nearest pound	9	18	27	36	45
Total costs	769	778	787	796	805

Revenue:

20% conversions	200	400	400	600	800
30% conversions	200	400	800	1000	1200
40% conversions	400	600	1000	1200	1600

As you can see, it is only if the mailshot is well above average in its success rate that it will be profitable on these assumptions.

Page 26

Clearly, customers think not: it is clear that a very large majority of students regards some kind of support as essential for study. This means that they are less likely to embark on a course if that support is not available; you should not only ensure that you can provide it, but also make it a leading point of your promotional literature so that potential customers are aware that you have developed the services that meet their needs.

This reflects what we said before about service definition: the services provided must meet the real needs of customers.

Page 27

1. Clearly, since easy access to learning materials is found to be essential by such a large majority of the survey sample (and no one regarded it as 'unnecessary') you would want to be able to provide such access. One way of doing so (can you think of others?) would be to ensure that the library is open for as much of the time as possible: into evenings, perhaps at weekends, for some if not all of the holidays. If this is not the case in Lesley's college, he will clearly need to campaign within the college for better library access: don't forget that a successful marketer has to be able to define the service provided, and make sure that it meets what he believes the market is demanding. As well as advertising outside, it is vital to make all the necessary efforts within your college or organisation to make sure that it is able to meet real needs. Internal selling can be just as important as external selling.

2. The common factor is the need for significant levels of backup, particularly contact with tutors. This is a point that Lesley must bear very much in mind, as his aim is to sell as much tutor time as possible: clearly, he must make clear that tutor time is available when he is first promoting the courses, but he must also go on promoting it to existing students or their trainers, to ensure they take as much advantage as possible of the provision of tutor contact, for which there is clearly a high demand.

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